

CORRECTED FISCAL MEMORANDUM

SB 1777 – HB 1457

June 1, 2007

SUMMARY OF AMENDMENT (005594): Authorizes the Commissioner of the Department of Mental Health and Developmental Disabilities to create a program and administer a pool of funds to support the delivery of community-based behavioral health services to those persons who are uninsured or medically indigent.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$780,200 Annually for Five Years
\$7,800 One-Time

Decrease Local Govt. Expenditures – \$312,500

Other Fiscal Impact – The Nashville/Davidson County Metro Public Health Department (MPHD) shall provide a local match that will be in-kind services through existing program structure. Such in-kind services are estimated by MPHD at \$369,000 annually for five years.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On April 3, 2007, we issued a fiscal memorandum on this amendment indicating *a basic benefit package estimated to increase state expenditures by \$16,000,000 and an expanded benefit package estimated to increase state expenditures by \$61,000,000*. Based on information received from the Department of Mental Health and Developmental Disabilities, the fiscal impact of the bill is as follows:

(Corrected)

Increase State Expenditures - \$6,770,400

Assumptions applied to amendment:

- In accordance with Public Chapter 812 of 2006, the Department of Mental Health and Developmental Disabilities (DMHDD), in conjunction with community mental health providers, service recipients, family members, and other appropriate state and local agencies, studied the options for access to non-emergency behavioral health services for uninsured individuals.

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- For the report, “Options for Access to Non-Emergency Behavioral Health Services for Uninsured Tennesseans,” cost estimates were developed for different behavioral health service models to cover 521,000 uninsured individuals.
- This estimated is based on the \$72 average yearly cost per person base benefit package which was outlined in the Public Chapter 812 report.
- The Department of Mental Health and Developmental Disabilities will use the pool of funds to administer three pilot projects across the state.
- The urban pilot project will include Davidson County and will cover approximately 45,733 uninsured individuals. It is estimated such will increase state expenditures by \$3,292,776 (45,733 X \$72).
- The suburban pilot project will include Anderson, Scott, Morgan, Roane, and Campbell Counties and will cover approximately 20,118 uninsured individuals. It is estimated such will increase state expenditures by \$1,448,496 (20,118 X \$72).
- The rural pilot project will include Lake, Obion, Weakley, Henry, Stewart, Benton, Henderson, Decatur, and Perry Counties and will cover approximately 28,183 uninsured individuals. It is estimated that such will increase state expenditures by \$2,029,176 (28,183 X \$72).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director

/kml